

MEPA GHG Policy and Protocol

Policy Summary: The Massachusetts Environmental Policy Act (MEPA) requires that all major projects proposed in the Commonwealth that have state involvement (in the form of state permits, land transfers, or financial assistance, for example) undertake an assessment of project impacts and alternatives in an effort to avoid, minimize, and mitigate damage to the environment to the maximum extent feasible. Building on this general requirement, the MEPA GHG Policy requires that certain projects undergoing review by the MEPA office quantify their GHG emissions and identify measures to avoid, minimize, and mitigate such emissions. In addition to quantifying project-related GHG emissions, the MEPA GHG Policy also requires proponents to evaluate project alternatives that may result in lower GHG emissions, and to quantify the impact of proposed mitigation in terms of emissions and energy savings. The MEPA GHG Policy is primarily applied to commercial and residential real estate development projects, but also applies to industrial and energy generation projects.

Clean Energy Economy Impacts: By requiring project proponents to evaluate all feasible measures to reduce their GHG emissions, such as energy efficiency upgrades, fuel switching, incorporation of renewable energy measures, and reduction of vehicle miles traveled, the MEPA GHG Policy supports the development of industries and jobs to supply these technologies. In addition, the avoided fuel and electricity use, due to enhanced efficiency of projects, reduce long-term operational costs of the projects.

Rationale: The principal purpose of the MEPA GHG Policy is to require project proponents to undertake a thorough analysis of a project's primary sources of GHG emissions at an early stage of project planning, and to examine all feasible alternatives that may have lower GHG emissions potential. By conducting this early-stage impacts and alternatives analysis, project proponents can integrate directly into project planning sustainable design considerations that will allow the project to achieve GHG emissions reductions in the most economical manner.

Policy Design and Issues: For the majority of projects subject to the MEPA GHG Policy, the Policy requires comparison of emissions associated with the proposed project design to the emissions that would result from construction of an identical building code-compliant project. In this way, the MEPA GHG Policy is closely related to issues surrounding the adoption of *Advanced Building Energy Codes* and other energy efficiency improvements for buildings. Similarly, where the MEPA GHG Policy encourages adoption of renewable energy components, it is closely related to issues involved in the implementation of incentives for generating renewable energy (see the *Developing a Mature Market for Renewable Thermal Technologies* policy). The MEPA GHG Policy also aims to reduce vehicle miles traveled in coordination with other state policies.

GHG Impact: To date, more than 200 projects have initiated review in accordance with the MEPA GHG Policy, and more than 100 projects have completed MEPA review with a finding that their completed GHG analysis was consistent with the MEPA GHG Policy. Projects that had completed review have achieved an average reduction of 19 percent in stationary-source GHGs below an equivalent code-compliant project and an average reduction of 5%

percent in mobile sources. In total, the MEPA GHG Policy has resulted in commitments to reduce GHG emissions by over 190,000 metric tons of CO₂e per year. However, reductions associated with the MEPA GHG Policy may be duplicative of the reductions achieved by other state policies designed to increase efficiency, encourage renewable energy generation, and reduce vehicle miles traveled.

Costs: The upfront costs of incorporating GHG reduction measures will vary widely depending upon the project, and many costs will be offset through energy savings. Because the MEPA GHG Policy does not mandate a specified level of reductions, but rather asks project proponents to adopt "feasible" measures, measures that are considered infeasible from a cost perspective may be eliminated from consideration.

Experience in Other States: The MEPA GHG Policy is a nation-leading policy. Other states, including California and New York, have adopted similar policies, and the White House Council on Environmental Quality, which oversees implementation of the National Environmental Policy Act (NEPA) by federal agencies, has also released a draft policy concerning consideration of GHG emissions as part of the NEPA review of individual projects.

Legal Authority: The Global Warming Solutions Act specifically amended the MEPA statute to provide that:

In considering and issuing permits, licenses, and other administrative approvals and decisions, the respective agency, department, board, commission, or authority shall also consider reasonably foreseeable climate change impacts, including additional GHG emissions, and effects, such as predicted sea level rise. See M.G.L. c. 30, §61.

The MEPA GHG Policy was introduced and is being applied through MEPA review to address the Commonwealth's obligations under the GWSA.

Implementation Issues: The MEPA GHG Policy has become a routine part of the environmental impact review process. For real estate development projects, the assessment and review of a project's GHG analysis has become generally accepted by the regulated industry and the public.